

INTRODUCTION OF THE AMERICARE HEALTH INSURANCE ACT

Tuesday, 06 January 2009

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EXTENSION OF REMARKS

HON. FORTNEY PETE STARK OF CALIFORNIA IN THE HOUSE OF REPRESENTATIVES

TUESDAY, January 6 2009

Madam Speaker, it gives me great pleasure to reintroduce the AmeriCare Health Care Act of 2009.

I have often spoken before this body about the great need to reform our health care system. For too long, we have been plagued with an inadequate patchwork system that today leaves nearly 46 million Americans uninsured. We spend more per person than any other country in the world, yet our health outcomes lag well behind that of other industrialized nations.

The failing economy is even more proof of our need to act now. Our broken health system is a tremendous financial burden on our Nation's families and businesses alike. Since 1999, family premiums for employer-sponsored insurance have increased 119 percent, nearly 4 times the increase in wages (34 percent) and inflation (29 percent) during that same time. About one in three Americans reported a serious problem "paying for health care and health insurance" in October 2008. Half of all bankruptcies can be traced to medical bills. 49 percent of people in foreclosure named medical problems as a cause of their financial difficulties.

According to the New America Foundation, our economy lost as much as \$207 billion last year because of the poor health and shorter lifespans of those without health insurance. General Motors spends more on health care than on steel. While I'm not suggesting we import the Canadian health system, it is worth highlighting that if we paid the same amount for health care as Canada, G.M. would have accumulated an additional \$22 billion in profits over the last decade. Inadequate health coverage is crippling our economy.

The President-elect declared that health care reform should happen "this year". Chairman Rangel and I are ready to work with him, Chairmen Waxman and Miller, our leadership and the Senate to achieve this goal.

AmeriCare is a template of a way that we can achieve universal health care. AmeriCare is built on a framework that is consistent with many of the principles that President-elect Obama identified during the campaign.

Like President-elect Obama's plan, it includes a public plan option. It uses Medicare's existing administrative infrastructure, but improves upon Medicare's benefits to address some of the current gaps in coverage. A public plan option is the only way to ensure that beneficiaries have access to an option that promotes people over profit. As

Medicare itself includes both public and private plan options, one could make the case that AmeriCare has an exchange, like Obama's plan as well.

Like President-elect Obama's plan, it maintains employer sponsored coverage. People can keep the coverage they have if they like it. We need to build on what works, not create an entirely new system. Like President-elect Obama's plan, it includes a pay-or-play component to ensure that the private sector continues to play a role in providing health care.

AmeriCare meets the Health Care for America Now! reform principles. It was endorsed last year by the coalition, as well as provider groups, beneficiary advocates, and unions including: American Academy of Pediatrics, American Nurses Association, Center for Medicare Advocacy, Consumers Union, Families USA, National Association of Community Health Centers, National Association of Public Hospitals, SEIU, Universal Health Care Action Network.

AmeriCare is a practical proposal to ensure that everyone has affordable health coverage in our country. It builds on what works in today's health care system to provide simple, affordable, reliable health insurance. I look forward to working with President-elect Obama as he assumes the office of the President to achieve a universal health care program that meets the principles that he will outline to Congress.

I will submit for the record a short summary of AmeriCare. More can be found on my website at <http://www.house.gov/stark>. AMERICARE HEALTH CARE ACT OF 2009 Overview: The AmeriCare Health Care Act ("AmeriCare") is a practical proposal to ensure that everyone has health coverage in our country. It builds on what works in today's health care system to provide simple, affordable, reliable health insurance. People would be covered under the new AmeriCare system, modeled on Medicare, or they would continue to obtain health coverage through their employer.

Using the administrative efficiencies within Medicare and building on the existing coverage people receive through their jobs today, we can create an affordable, efficient, and stable universal health care system in America--and guarantee access to medical innovation and the world's most advanced providers and facilities.

Structure and Administration: Creates a new title in the Social Security Act, "AmeriCare." Provides universal health care for all U.S. residents, with additional coverage for children (under 24), pregnant women, and individuals with limited incomes (< 300% FPL). Sets out standards for supplemental plans with a focus on consumer protection. Requires the Secretary to negotiate discounts for prescription drugs.

Benefits: Adults receive Medicare Part A and B benefits; preventive services, substance abuse treatment, mental health parity; and prescription drug coverage equivalent to the BC/BS Standard Option in 2008. Children receive comprehensive benefits and Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) coverage with no cost-sharing.

Cost Sharing: There is a \$350 deductible for individuals/ \$500 for families (indexed over time), and 20% coinsurance. Total spending (premiums, deductibles, and co-insurance) is capped at out-of-pocket maximum of \$2,500 individual/\$4,000 family (indexed over time), or 5 percent of income for beneficiaries with income between 200 percent-300 percent FPL and 7.5 percent of income for beneficiaries with income between 300 percent-500 percent FPL. There is no cost sharing for children, pregnant women and low-income individuals (below 200 percent FPL). Sliding scale subsidies are in place for cost-sharing for individuals between 200 percent and 300 percent FPL.

Financing: At April 15 tax filing each year, individuals either demonstrate equivalent coverage through their employer or

pay the AmeriCare premium based on cost of coverage and class of enrollment (individual, couple, unmarried individual with children, or married couple with children). Employers may either pay 80 percent of the AmeriCare premium or provide equivalent benefits through a group health plan (the contribution for part-time workers is pro-rated). AmeriCare does not affect contracts or collective bargaining agreements in effect as of the date of enactment, and employers may choose to provide additional benefits. Employers with fewer than 100 employees have until January 1, 2014 to comply (employees of small businesses would still only pay 20 percent of the premium).